AMENDMENTS TO THE CLAIMS

Please cancel claims 37, 39, 40, 43, and 45, and amend claims 38, 41, 42, 44, and 46, as follows.

- 1-37 (Cancelled)
- 38. (Currently Amended) The-data unit of claim-37, A data card comprising:

<u>a rectangular, non-magnetic substrate including opposed</u> first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a protective layer, and the protective layer includes at least two layers, wherein one of said layers includes a magnetically permeable, magnetically saturable material and another of said layers is a non-magnetic friction reducing layer formed over the magnetically permeable, magnetically saturable material,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

- 39-40. (Cancelled)
- 41. (Currently Amended) The data unit of claim 40, A data card comprising:
- a rectangular, non-magnetic substrate including opposed
 first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer,

wherein said protective coating comprises at least two layers, with a first one of the layers being formed of the magnetically permeable, magnetically saturable material and a second of the layers being a non-magnetic friction reducing layer formed over the magnetically permeable, magnetically saturable material, and

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

- 42. (Currently Amended) The data unit-of-claim 397 A data card comprising:
- a rectangular, non-magnetic substrate including opposed
 first and second sides;

a circular data storage region exposed at the first side of the substrate, wherein the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer, and the protective layer includes includes a magnetically permeable, magnetically saturable material,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive

through said non-magnetic layer to produce a magnetic image field.

43. (Cancelled)

44. (Currently Amended) The data unit of claim 43, A method for reading a data card with a data processing station, the method comprising:

providing a data card including a rectangular, non-magnetic substrate including opposed first and second surfaces, and circular data storage region on one of the first and second surfaces, the data storage region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer that includes a magnetically permeable, magnetically saturable material;

providing a data processing station including at least one transducer capable of communicating signals with the data storage region; and

rotating the data card within the data processing station
while communicating signals between the at least one transducer
and the data storage region,

wherein the data storage region further comprises a nonmagnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.

45. (Cancelled)

46. (Currently Amended) The method of claim 43, A method for reading a data card with a data processing station, the method comprising:

providing a data card including a rectangular, non-magnetic substrate including opposed first and second sides, and a circular data region at the first side of the substrate, wherein the data region includes a thin film layer of high density, high coercivity magnetic material that is overlaid by a bendable, abradeable protective layer that includes a magnetically permeable, magnetically saturable material;

providing a data processing station including at least one transducer capable of communicating signals with the data storage region; and

rotating the data card within the data processing station while communicating signals between the at least one transducer and the data storage region,

wherein the data card further comprises a non-magnetic material layer positioned between the protective coating and said at least one magnetic material layer, said magnetically permeable, magnetically saturable material being responsive through said non-magnetic layer to produce a magnetic image field.